

OCCUPATIONAL OUTLOOK HANDBOOK



BUYERS AND MERCHANDISE MANAGERS

NATURE OF THE WORK

Retail buyers purchase merchandise for resale. Merchandise managers supervise buyers and set general buying and pricing policy for their department, division, or store. They seek to obtain the best available merchandise at the lowest possible price. They determine which goods or services are best, choose the suppliers, negotiate the lowest price, and award contracts that ensure that the correct amount is received at the appropriate time. In order to accomplish these tasks successfully, buyers and merchandise managers study sales records and inventory levels of current stock, identify foreign and domestic suppliers, and keep abreast of changes affecting both the supply of and demand for products and materials for which they are responsible.

Buyers and merchandise managers assess and select suppliers based on price, quality, availability, reliability, and selection. They review catalogs, industry periodicals, directories, and trade journals, research the reputation and history of the suppliers, and advertise anticipated purchase actions in order to solicit bids from suppliers. Meetings, trade shows, conferences, and visits to suppliers' plants and distribution centers also provide opportunities to examine products, assess a supplier's production and distribution capabilities, as well as discuss other technical and business considerations that bear on the purchase. Specific job duties and responsibilities vary with the type of commodities or services to be bought and the employer.

They are an integral part of a complex system of distribution and merchandising that caters to the vast array of consumer needs and desires. In retail firms, buyers purchase goods from wholesale firms or directly from manufacturers for resale to the public. Buyers largely determine which products their establishment will sell. Therefore, it is essential that they have the ability to accurately predict what will appeal to consumers. They must constantly stay informed of the latest fashions and trends because failure to do so could jeopardize profits and the reputation of their company. Buyers also follow ads in newspapers and other media to check competitors' sales activities and watch general economic conditions to anticipate consumer buying patterns. Buyers working for large and medium-sized firms often specialize in one or two lines of merchandise, whereas buyers working for small stores may purchase their complete inventory.

The use of private-label merchandise and consolidation of buying departments have increased the responsibilities of retail buyers. Private-label merchandise, produced for a particular retailer, requires buyers to work closely with vendors to develop and obtain the desired product. The downsizing and consolidation of buying departments is also increasing the demands placed on

buyers because, although the amount of work remains unchanged, there are fewer people needed to accomplish it. The result is an increase in the workloads and levels of responsibility.

Many merchandise managers assist in planning and implementing sales promotions. Working with merchandising executives, they determine the nature of the sale and purchase accordingly. They also work with advertising personnel to create the ad campaign. For example, they may determine the media in which the advertisement will be placed-newspapers, direct mail, television, or some combination of these. In addition, merchandising managers often visit the selling floor to ensure that the goods are properly displayed. Often, assistant buyers are responsible for placing orders and checking shipments.

Computers have a major effect on the jobs of buyers. The computers handle most of the more routine tasks-enabling purchasing professionals to concentrate mainly on the analytical aspects of the job. Computers are used to obtain up-to-date product and price listings, to track inventory levels, process routine orders, and help determine when to make purchases. Computers also maintain bidders' lists, record the history of supplier performance, and issue purchase orders.

Computerized systems have dramatically simplified many routine buying functions and improved efficiency in determining which products are selling. For example, cash registers connected to computers, known as point-of-sale terminals, allow organizations to maintain centralized, up-to-date sales and inventory records. This information can then be used to produce weekly sales reports that reflect the types of products in demand. As well as monitoring their company's sales, buyers use computers to gain instant access to the specifications for thousands of commodities, inventory records, and customers' purchase records. Some firms are linked with manufacturers or wholesalers by electronic purchasing systems. These systems speed selection and ordering and provide information on availability and shipment, allowing buyers to better concentrate on the selection of goods and suppliers.

WORKING CONDITIONS

Most buyers and merchandise managers work in comfortable, well-lit offices at stores, corporate headquarters, or production facilities. They frequently work more than a 40-hour week because of special sales, conferences, or production deadlines. Evening and weekend work is common. For those working in retail trade, this is especially true prior to holiday seasons. Consequently, many retail firms discourage the use of vacation time during peak periods.

Buyers and merchandise managers often work under great pressure because wholesale and retail stores are so competitive; buyers need physical stamina to keep up with the fast-paced nature of their work. Traveling is usually required and many purchasers and buyers spend at least several days a month on the road. High-fashion buyers often travel outside the U.S.

EMPLOYMENT

Retail buyers and merchandise managers hold about 100,000 jobs in the United States.

TRAINING, OTHER QUALIFICATIONS, AND ADVANCEMENT

Qualified persons usually begin as trainees, junior buyers, or assistant buyers. Firms prefer to hire applicants familiar with the merchandise they sell, as well as with retailing practices. Some retailers promote qualified employees to assistant buyer positions; others recruit and train college graduates as assistant buyers. Most employers use a combination of methods.

Educational requirements tend to vary with the size of a company. Large firms prefer applicants who have completed a bachelor's degree program that focused on a business-related curriculum. Regardless of academic preparation, new employees must learn the specifics of a firm's business.

Although training periods vary in length, with most lasting 1 to 5 years. In retail establishments, most trainees begin by selling merchandise, supervising sales workers, checking invoices on material received, and keeping track of stock on hand, although widespread use of computers has simplified some of these tasks. As they progress, retail trainees are given more buying-related responsibilities.

Persons who wish to become retail buyers should be good at planning and decision making and have an interest in merchandising. Anticipating consumer preferences and ensuring that goods are in stock when they are needed require resourcefulness, good judgment, and self-confidence. Buyers must be able to make decisions quickly and take risks. Marketing skills and the ability to identify products that will sell are also very important. Employers often look for leadership ability and communication skills because buyers spend a large portion of their time supervising assistant buyers and dealing with manufacturers' representatives and store executives.

Experienced buyers may advance by moving to a department that manages a larger volume or by becoming a merchandise manager. Others may go to work in sales for a manufacturer.

JOB OUTLOOK

Overall employment of buyers and merchandise managers is expected to grow by 6 percent from 2014 to 2024. Demand for purchasing workers will be limited by improving software, which has eliminated much of the paperwork involved in ordering and procuring supplies, and also by the growing number of purchases being made electronically through the Internet and electronic data interchange (EDI). Demand will also be limited by offshoring of routine purchasing actions to other countries and by consolidation of purchasing departments, which makes purchasing agents more efficient.

However, growth may be negatively affected due to more outsourcing of less complex procurement functions like processing purchase orders or making one-time purchases of items. Some organizations also may rely on third parties to handle other tasks, such as performing market research or supplier risk assessments. Organizations may outsource these functions in order to focus on more complex or core procurement tasks and to reduce costs.

Persons who have a bachelor's degree in business should have the best chance of obtaining a buyer position in retail trade.